

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:)
)
)
	Chapter 11
STEWARD HEALTH CARE SYSTEM, LLC, <i>et al.</i> , Debtors. ¹)
)
	Case No. 24-90213 (CML)
	(Jointly Administered)
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Dr. Manisha Purohit, Dr. Diane Paggioli, Dr. James D. Thomas, Dr. Thomas Ross, Dr. Michael Regan, Dr. Peter Lydon, Dr. Sridhar Ganda, and Dr. A. Ana Beesen, for themselves and those similarly situated,)
)
Plaintiffs,)
v.)
	Civil Action No. 4:25-mc-00461
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Steward Health Care System LLC, IASIS Healthcare, LLC, and Patrick Lombardo)
In His Role as Executive Vice President)
For Human Resources for Steward Heath Care System LLC; and John and Jane Doe,)
In Their Roles as Committee Members and/or Management Board Members)
)
Defendants.)

**DECLARATION OF DIANE PAGGIOLI, D.O. IN SUPPORT OF EMERGENCY
MOTION FOR AN ORDER STAYING HEARING ON TURNOVER MOTION**

I, Diane Paggioli, D.O., being over 18 years of age and competent in all respects to testify, having personal knowledge of the facts set forth below, and under penalties of perjury, hereby state, swear, and affirm the following, pursuant to § 1746 of title 28 of the United States Code:

¹ A complete list of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at <https://restructuring.ra.kroll.com/Steward>. The Debtors' service address for these chapter 11 cases is 1900 N. Pearl Street, Suite 2400, Dallas, Texas 75201.

1. I am a physician and a former employee of (a) Steward Good Samaritan Medical Center, Inc. (“**Good Samaritan**”), which I joined in 2017, and (b) Steward St. Anne’s Hospital Corporation (“**St. Anne’s Hospital**”), which I joined in or around 2021 after leaving Good Samaritan. Both Good Samaritan and St. Anne’s Hospital are debtors and debtors in possession (collectively, the “**Debtors**”) in the chapter 11 cases of *In re Steward Health Care System, LLC, et al.*, Case No. 24-90213 (Bankr. S.D. Tex.). I am currently employed as a physician at Brown University Health, which acquired St. Anne’s Hospital after the Debtors filed for bankruptcy.

2. I submit this declaration in support of the *Emergency Motion for an Order Staying Hearing on Turnover Motion* (the “**Emergency Motion**”) filed by the Participants contemporaneously with this declaration.² I am one of the Participants, as a participant in and beneficiary of the Steward Health Care Deferred Compensation Plan (the “**SHC DC Plan**” or the “**Plan**”).

3. When I started as an oncologist at Good Samaritan in 2017, I was offered participation, and became a participant, in the SHC DC Plan. I was informed that as a part-time physician, I would not have the option to participate in a 401(k) plan, and that the SHC DC Plan was my only employer-sponsored option to plan for retirement. The supervisor who explained this to me informed me that the SHC DC Plan was an excellent program and encouraged me to participate.

4. When presented with the option to become a participant in the SHC DC Plan (and re-enroll in the Plan, in subsequent years), I was not provided the opportunity to negotiate the terms of my participation in such Plan—only the opportunity to elect the amount that I’d like to defer. Once I enrolled in the Plan for a particular year, I could not unenroll until the following year’s enrollment period.

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Emergency Motion.

5. At no time—prior to becoming a participant in the Plan or before annual enrollment—was I presented with information regarding the financial condition of Steward, and at no point did Steward or any affiliate inform me that they were or might be insolvent. Nor was I advised that any funds I deferred would ever be at risk; I understood this to simply be a deferral of my compensation to a later period when I might be in a lower tax bracket. At no time until the Debtors filed the Turnover Motion did I have any indication that my retirement savings were at risk at all.

6. When I moved to St. Anne's Hospital in or around 2021, I was informed that the same benefits policy applied as at Good Samaritan: as a part-time physician, I would not have the option to participate in a 401(k) plan, and that continuing with the SHC DC Plan was my only employer-sponsored option to plan for retirement.

7. I work only part-time due to the length of my commute to the hospitals where I work (my commute to St. Anne's Hospital is worse than my commute had been to Good Samaritan). Due in part to my retirement planning through contributions to the SHC DC Plan, I determined that I could afford to work part time in order to take a job at a hospital that required such a long commute.

8. When the Debtors filed for bankruptcy, I considered leaving St. Anne's Hospital in order to find more stable employment elsewhere, but decided instead to continue working with my patients—many of whom are in the final stages of battles with cancer. After the bankruptcy filing, day in and day out, I watched as my recommendations for treatment—treatment that would have and should have been approved at a financially healthy hospital—were not implemented, which in the case of some of my patients hastened their losing their battles to cancer. This caused me great mental angst, but I remained employed by St. Anne's Hospital in an effort to not cause greater disruption to my patients' care.

9. If the assets of the Plan are turned over to the Debtors' bankruptcy estates, I will suffer significant personal harm. I had planned to use my SHC DC Plan contributions not only to fund my

own retirement but also to contribute to the college educations of my nieces. If the salary I believed I had been deferring is not available for me in my retirement (but rather is repurposed for paying Steward's other creditors), I am not sure how I will cover my own expenses in retirement at all, let alone fulfill my commitment to helping my family pay for college.

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Solemnly affirmed and signed this 13th day of March, 2025, under the penalties of perjury.

Diane Paggioli
Diane Paggioli, D.O.